nanollose

ASX Release

31 July 2026

Quarterly activities report for the period ended 30 June 2026

Highlights:

- **Strategic decision to bring development capability onshore to Australia, with key analytic and lab equipment ordered for delivery this quarter**
- **Domestic expansion progressing well with some analytic equipment already in place**
- **Onshoring expected to shorten the Company's testing and iteration cycle and improve control over process optimisation and design of a pilot facility to produce microbial cellulose pulp (*Pilot Facility*)**
- **Site selection progressing for a larger, fit-for-purpose Western Australian premises to house incoming equipment and a Pilot Facility**
- **Engineering capability strengthened with the appointment of an Operations and Engineering Manager and the engagement of Switch Technologies**
- **Improved laboratory process continues to demonstrate at least an 80% efficiency uplift over the method used in fourth pilot spin**
- **Improved laboratory processes also delivering a more uniform product, which is imperative for ongoing customer engagement**
- **Successful trials confirmed pathways for dewatering and washing respectively**
- **Additional trials and testing planned for further validation this quarter**
- **Request from a high-profile international brand for a 50kg sample of a specialised fibre grade, demonstrating market interest in Nullarbor**
- **$1.58m in new funding raised through option conversions, strengthening the balance sheet**

Nanollose Limited (ASX: NC6) ("Nanollose" or the "Company"), an advanced biomaterials company commercialising scalable technology to create fibres, fabrics and other materials from microbial cellulose, is pleased to provide an overview of the activities undertaken during the three-month period ended 30 June 2026 ("quarter", "reporting period").

Management commentary

CEO and Managing Director, Mr Andrew Moullin said: *"During the quarter we started to bring core analytics and testing capability into WA. This will dramatically shorten our development and iteration cycles, allow us to prepare material for vendor trials and generate data required to support process optimisation and the design of the Company's first dedicated pilot-scale facility.*

"We also made tangible progress across key process stages. Successful local trials identified a potential solution for industrial dewatering, while equipment testing with a European supplier identified a pathway for washing at scale. Further trials are focused on confirming performance with larger volumes and determining the appropriate equipment specifications for purchase.

Equipment arriving over the coming months is expected to help us obtain the data we need to specify and tender our first dedicated Pilot Facility and reduce our reliance on external technical validation. This is a controlled and capital-efficient way to prove the technology at scale, and it is the right foundation for the next phase of the Company's growth."

Building onshore capability

During the quarter, the Company commenced onshoring its core production, analytics and testing capability domestically, with the aim of more direct control over the pace of development and the ability to dispatch material for equipment evaluation.

Initial analytics equipment is now operational and improving the speed of in-house analysis. Further key equipment has been ordered for delivery during the current quarter. The equipment will support process optimisation, preparation of material for vendor trials and the collection of data required to define the first dedicated pilot-scale facility.

The Company is also progressing site selection for larger, fit-for-purpose premises in Western Australia to house the incoming equipment, expanded team and pilot-scale capability. Establishing this capability locally may improve Nanollose's access to non-dilutive R&D grant funding opportunities tied to Australian research and development activity, which the Company is pursuing with an advisor.

Strengthened engineering and operations capability

The Company appointed Danielle Nardini as Operations and Engineering Manager during the quarter. Ms Nardini brings more than 16 years of engineering and operations experience, including leading the transition of emerging technology from prototype to commercial deployment.

At global engineering group Sandvik she supported the scale-up of battery-electric mining systems from prototype to field-ready commercial deployment across North America and Australia, and she most recently led greenhouse gas modelling and emissions reporting as Sustainability Principal at copper miner Sandfire Resources. She holds a Master's and a BSc in Industrial Engineering and has founded two small businesses. Her background in process engineering and emissions, experience scaling emerging technology, and entrepreneurship, are directly relevant to Nanollose's pilot plant build-out and its positioning for the fibre industry's ESG expectations.

Also, during the quarter, Nanollose engaged Switch Technologies, a Western Australian engineering consultancy specialising in integrating modern methods into industrial settings, with electrical, mechanical, controls and chemical/processing engineering capabilities. Switch Technologies is supporting process engineering and equipment integration as the Company establishes its onshore development pathway. As a result of the engagement with Switch, the Company is now in discussions with additional world class chemical and process engineering consultants with relevant scale-up experience.

Technical position and pathway to Pilot Facility

Further to the Company's announcement of 22 April 2026, the improved laboratory process continues to demonstrate at least an 80% efficiency uplift over the method used for the fourth pilot spin, while producing a more uniform product. During the quarter, the Company advanced validation work across the washing, dewatering and dissolution stages required for pilot-scale development.

Successful local trials established a viable technical pathway for dewatering microbial cellulose and preparing the material for final drying. Following testing with Nanollose's material, the vendor has indicated that its technology can address this stage, subject to further validation regarding throughput. The next phase is a trial that will use a significantly larger volume to determine the appropriate equipment size and operating parameters for the pilot-scale facility and beyond. This work has shifted the focus from establishing whether the technology can process Nanollose's material to defining the required equipment configuration and capacity.

The Company also completed a successful trial with an equipment supplier in Europe to assess washing at scale. Following testing with Nanollose's material, the supplier communicated high confidence that the laboratory results will scale to pilot equipment and on to the largest industrial equipment. This will be pursued further when facilities permit.

Nanollose also continued to refine the dissolution stage of its process and has prepared material for technical validation in India. An updated processing protocol has undergone an initial technical review by the Company's Indian partner, with further testing now progressing. A successful outcome would provide an important validation point across the process stages required for pilot-scale development.

The incoming onshore equipment is expected to generate the operating data required to define equipment specifications, sourcing options and engineering parameters for the first dedicated pilot-scale facility. Based on the current program, the Company expects this work to support progression to a formal request for quotation or tender process.

Market Landscape

The Company received a request from a high-profile international brand for a 50kg sample of a specialised fibre grade that sits outside its core commercial pathway. The Company is endeavouring to fulfil this using its existing process. The grade requested is technically challenging, and success is not a prerequisite for the broader commercial viability of Nullarbor™ fibre. The enquiry nonetheless demonstrates genuine interest in the technology/product and delivering it would represent a significant technical achievement.

Appendix 4C quarterly cash flow

The Company's Appendix 4C Quarterly Cash Flow Report for the quarter ended 30 June 2026 accompanies this announcement. At the end of the quarter, Nanollose had a cash balance of $1,350,000 (31 March 2026 quarter: $494,000).

During the quarter, the Company incurred net operating cash outflows of $647,000, comprising research and development expenditure of $261,000, advertising and marketing expenditure of $33,000, staff costs of $71,000 and administration and corporate costs of $282,000, together with $2,000 of finance costs, offset by $2,000 of interest received.

Since 1 April 2026 the Company has raised $1.58m in new funding through the conversion of unlisted options, exercisable at $0.025 and $0.05 per option (refer ASX announcement: 6 May 2026). The unlisted $0.025 options were issued as part of the Company's strategic capital raise undertaken in Q4 CY24 (refer ASX announcement: 13 December 2024). This funding strengthens the balance sheet and provides financial flexibility to advance the Company's strategy to establish its first dedicated microbial cellulose production facility.

Payments at section 6.1 relate to Executive Directors' Salaries ($83,000), Managing Director's salaries ($89,000), Non-Executive Director Fees ($44,000), Company Secretary, Accounting and Office Fees ($59,000).

ENDS

AUTHORITY AND CONTACT DETAILS

This announcement has been authorised by the Board of Directors of Nanollose.

For further information, please contact:

Mr Andrew Moullin
CEO & Managing Director
Email:andrew.moullin@nanollose.com
Phone: 08 9389 3120

Henry Jordan
Six Degrees Investor Relations
Email: henry.jordan@sdir.com.au
Phone: 0431 271 538

ABOUT NANOLLOSE

Nanollose Limited (ASX: NC6) is a leading biomaterials company commercialising scalable technology to create fibres, fabrics and other novel materials with minimal environmental impact. Nanollose's eco-friendly fermentation process can use agricultural waste and by-products to produce cellulose, a versatile raw material traditionally produced from trees via the wood pulping process. The company then uses this 'Tree-Free' cellulose as an input for its range of innovative biomaterials including its Nullarbor™ fibres, MicroGel™ horticultural medium, and its emerging animal-free and plastic-free leather-like materials.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Nanollose Limited

ABN	**Quarter ended ("current quarter")**
13 601 676 377	30 June 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	0	0
1.2	Payments for		
	(a) research and development	(261)	(947)
	(b) product manufacturing and operating costs	0	0
	(c) advertising and marketing	(33)	(145)
	(d) leased assets	0	0
	(e) staff costs	(71)	(253)
	(f) administration and corporate costs	(282)	(756)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	2	3
1.5	Interest and other costs of finance paid	(2)	(10)
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives (R&D Rebate)	0	311
1.8	Other	0	0
1.9	**Net cash from / (used in) operating activities**	**(647)**	**(1,797)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	**Net cash from / (used in) investing activities**	**0**	**0**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	1,547	2,580
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(44)	(44)
3.5	Proceeds from borrowings	0	200
3.6	Repayment of borrowings	0	(200)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	**Net cash from / (used in) financing activities**	**1,503**	**2,536**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	494	611
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(647)	(1,797)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,503	2,536
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	**Cash and cash equivalents at end of period**	**1,350**	**1,350**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,330	474
5.2	Call deposits	20	20
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,350**	**494**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	275
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
	Payments at section 6.1 relate to Executive Directors' Salaries ($83,000), Managing Director's salaries ($89,000), Non-Executive Director Fees ($44,000), Company Secretary, Accounting and Office Fees ($59,000)	

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	0	0
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	**Total financing facilities**	0	0

7.5	**Unused financing facilities available at quarter end**	0

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(647)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,350
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	1,350
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.09

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2026
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Authorised by: The Board of Directors
....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.